

Illinois Attorney General's Charitable Advisory Council

Meeting Minutes

December 12, 2014

The 2014 Annual Meeting for the Charitable Advisory Council was held on Friday, December 12th, at 10:00 a.m. in Room 9-031 of the James R. Thompson Center, Chicago, Illinois. In total, 32 individuals attended the meeting.

PRESENT:

Jodi Adler, The Law Project
Jason Baxendale, Chicago Community Trust
Nina Castle, Better Business Bureau
David Chernoff, Good City NFP
Kim Coventry, Richard H. Driehaus Foundation
Gillian Darlow, Polk Bros. Foundation
Greg DiDomenico, Community Memorial Foundation
Joan Dixon, Community Foundation of East Central Illinois
Rose Doherty, Legacy Professionals, LLP
Edith Falk, Campbell & Company
Emily Friedman, John D. & Catherine T. MacArthur Foundation
Marty Green, Illinois CPA Society
Jack Kaplan, United Way of Illinois
Trinita Logue, IFF
Zena Naiditich, Equip for Equality
James Parsons, The Brinson Foundation
Leslie Ramyk, Ravenswood Health Care Foundation
Janice Rodgers, Quarles & Brady, LLP
David Rosen, Jewish Federation of Metropolitan Chicago
Doug Schenkelberg, Donors Forum
Susan Snyder, Northern Trust Company
Caroline Staerk, Donors Forum
Eric Weinheimer, Donors Forum
Pamela Wilcox, Executive Services Corps
Caren Yanis, Crown Family Philanthropies

In addition, the following staff members from the Illinois Attorney General's Office were present:

Mary Morrissey, Therese Harris, Theresa Geary, Barry Goldberg, Pasquale Esposito, Jennifer Marshall and Kristin Louis

I. Welcoming Remarks—Attorney General Madigan

Mary Morrissey opened the meeting at 10:10 a.m., welcomed CAC members, apologizing that the Attorney General was unable to attend. Mary then introduced David Rosen, co-chair of the Executive Committee to begin the meeting.

II. Review and Approve 2013 Annual Meeting Minutes

Therese Harris asked members to review the minutes from the 2013 Annual Meeting. David Chernoff motioned to approve the minutes and David Rosen seconded. A voice vote

occurred with all members voting in favor of approving the minutes. There were no objections.

III. Old Business

Therese Harris asked if there was any old business that needed to be discussed.

No comments were received.

IV. New Business

a. Executive Committee Report — Therese Harris/David Rosen

i. Membership

David Rosen welcomed Eric Weinheimer, Executive Director of The Donors Forum and new co-chair of the Executive Committee.

David Rosen explained that when the Charter was developed for the CAC, members were divided into two classes (A and B) with 2 or 4 year appointments. Class A membership is expiring. Therese shared that the Attorney General's Office will be in touch with Class A Members to ask if they wish to continue as a member.

ii. Teleconferences and the CAC Charter

David Rosen explained that in order for subcommittees to meet via teleconference, the CAC Charter would need to be updated to provide for this.

b. Review and Approve Charter

Pam Wilcox motioned to approve the Charter and Jim Parsons seconded. A voice vote occurred with all members voting in favor of approving the charter. There were no objections.

c. Communications and Outreach Committee Report — Therese Harris

i. Charitable Information Sessions

Therese Harris explained that in 2014, two Charitable Information Sessions were held with Donors Forum providing best practices information. The first session was in DeKalb with Northern Illinois University. Sixty-three individuals attended.

A second session was held in Champaign. Joan Dixon provided a recap of the Champaign session. Over 70 people attended, half of the attendees were new to the local community foundation and she continues to receive phone calls following up as a result of the event.

Therese Harris shared how beneficial it is to partner with a local organization like a community foundation in hosting these sessions.

ii. Public Education Materials – Charitable Organization Checklists

Therese Harris thanked members for their assistance in updating the Charitable Organization Checklist and their feedback at the last Annual Meeting. A copy of

the Checklist was included in attendee's packets.

iii. OAG website

The CAC's portion of the Attorney General's webpage is now updated. Therese thanked Jody Adler, Trinita Logue, and Emily Friedman for their assistance.

d. Committee Discussion — Therese Harris

i. Next Steps for Charitable Information Sessions

Therese Harris indicated that the Attorney General's Office is interested in hosting more information sessions in 2015 in Chicago, Peoria and Carbondale.

Zena Naiditch inquired about hosting videos on the Attorney General's website to allow wider access to this information. Joan Dixon shared that there is a huge value in in-person sessions due to the Q&A portion of the event.

ii. Recommendations for Additional Public Education Materials

Therese Harris led a discussion on additional public education materials including previous recommendations for creating a closure checklist for organizations and/or a merger list.

Trinita Logue indicated that a closure list would be very helpful because individuals may not know how to go out of business.

Jody Adler asked if it was beneficial to create a document on how to know when to close or resources once a closure decision made. Trinita Logue indicated all would be helpful, but especially what to do if any assets remain. Pam Wilcox mentioned a decision tree with warning signs that organizations cannot survive and another for once closing. Zena Naiditch shared that organizations often forget practical steps such as removing their website and changing the voicemail when the organization closes. Leslie Ramyk indicated that Donors Forum might be a good resource regarding pre-closure and the Attorney General's Office for once an organization decides to close.

Jody Adler shared that The Law Project has existing resources - a guide for organizations in financial distress and a guide for bankruptcy that may assist.

Emily Friedman, Pam Wilcox and Leslie Ramyk volunteered to assist with creating this guide or checklist.

iii. Data Security and Charitable Organizations

Therese Harris shared that the Attorney General's Office is working on data security and identity theft issues and wanted to make sure this information is shared with charitable organizations. Charities have a fiduciary duty to secure data and may have donor information as well as sensitive client information. Smaller charities may not have a system in place to address security concerns. Therese Harris also recommended including data security in the Purple Book.

Janice Rodgers shared that this is an important issue for both large and small

charities due to credit card information and recurring donations and the corresponding legal responsibilities.

Susan Snyder shared that there is a uniform law on fiduciary access to assets, which might come to Illinois and would share information with Therese.

e. Donors Forum's Purple Book Revamp — Doug Schenkelberg

Doug Schenkelberg shared that Donors Forum is going to begin convening a group to update the Purple Book. Donors Forum is interested in both updating content and modernizing the guide to make it more interactive. These efforts will begin in 2015 and the goal is for a 2016 launch. Donors Forum will reach out to CAC members for assistance.

f. Overview of NFPAssist — Jody Adler

Jody Adler shared that The Law Project brought together technical assistance providers to discuss stability issues in Chicago. TA Providers have been inundated with calls regarding closing or struggling organizations. The group is exploring what else the sector can do to intervene earlier and help organizations avoid closure. For instance, there is no central location for non-profits to find resources. In addition to determining what to share with these organizations, there is the challenge of how to reach these organizations. NFPAssist is also considering hosting a 2015 program such as a resource or TA Fair. Jody Adler shared that NFPAssist includes representatives from Executive Service Corps, Donors Forum, Lumity, IFF, Chicago Community Loan Fund, and Axelson Center.

Therese Harris shared that currently the Attorney General's Office mails an acknowledgement of registration to new organizations and if a one-page document is developed, the office could include that in the mailing.

Joan Dixon asked that, as these resources are developed to remember downstate.

V. Public Comment

Zena Naiditich shared that Chicago Community Trust has provided funding for ADA25Chicago, an initiative to promote the promise of the ADA and launch legacy initiatives to increase access to programs and their diversity and she may be in touch with groups regarding the initiative.

Pam Wilcox asked that the CAC members be notified as information sessions are planned.

Greg DiDomenico volunteered to host an information session in the western suburbs and shared that the number of family foundations is growing in the area.

VI. Closing

David Rosen thanked individuals for attending and closed the meeting at 10:57 a.m.